No. 11,631

# United States Circuit Court of Appeals

For the Ninth Circuit

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NATIONAL MOTOR BEARING CO., INC., A CORPORATION,
APPELLANT-PLAINTIFF,

*v.*

CHANSLOR & LYON CO., A CORPORATION,
APPELLEE-DEFENDANT.

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## APPELLANT'S OPENING BRIEF

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## APPELLANT'S OPENING BRIEF

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This case is brought to this Court by the appeal of the plaintiff from the final judgment (p. 60) dismissing plaintiff's suit on the Johnson Patent for a Fluid Seal No. 2,146,677, having a single claim, granted February 7, 1939 on an application filed August 5, 1936 (p. 512).

The appellant-plaintiff, National Motor Bearing Co., Inc., is a California corporation.

The appellee-defendant, Chanslor & Lyon Co., a California corporation, sold the alleged infringing oil seals which were made by the Victor Manufacturing & Gasket Company of Chicago which is defending this suit (p. 125).

The case was heard in the United States District Court for the Northern District of California, Southern Division.

Jurisdiction in that Court was based upon Section 24 of the Judicial Code (28 USCA Sec. 41), alleged in the Complaint (p. 3) and admitted in the Answer (p. 11).

The final judgment was entered November 29, 1946 and the appeal to this Court was filed on February 25, 1947 (p. 61) based upon Section 128 of the Judicial Code (28 USCA Sec. 225) and upon Section 230 of Title 28 of the United States Code.

The District Court found the Johnson patent invalid for lack of invention and lack of novelty based on five prior patents (p. 57), and also dismissed the case on the ground of laches.

## SPECIFICATION OF ERRORS

The errors of the District Court relied upon by the plaintiff occurred in the Court's findings of fact VI, VII and VIII (p. 57) and in its Conclusions of Law II, III and IV (p. 59).

Specifically these errors are:

1. That the Court found invalidity of the Johnson patent on the ground that the invention had been patented, described and fully disclosed in the patents of Chandler, 1,905,800, Fitzgerald, 1,983,746, Gits, 2,052,762, Heinze, 2,071,403, and Winter, 2,089,461 (p. 57).

This error is discussed infra, pp. 14-22.

2. That the Court found that there had been public use and sale in this country for more than two years prior to the filing of Johnson's patent (p. 58).

This error is discussed infra, p. 23.

3. That the Court found that each and every part of Johnson's invention had been invented, discovered,

used by or known to others in this country before his alleged invention (p. 58).

This error is discussed infra, p. 12.

4. That the Court found that in view of the prior art existing at the time, there was no invention in what Johnson claims to have invented (p. 58).

This error is discussed infra, p. 23.

5. That the Court found that what Johnson did involved nothing more than ordinary mechanical and engineering skill and practice and therefore lacked patentable novelty and invention (p. 58).

This error is discussed infra, p. 23.

6. That the Court found that there was delay in filing the suit which constituted laches (p. 58).

This error is discussed infra, p. 28.

## STATEMENT OF THE CASE

The first issue in the case is whether the Johnson patent and its single claim is anticipated or rendered invalid by the following patents of the prior art relied upon by the District Court; namely:—

| | | |
|---|---|---|
| Chandler | 1,905,800 | (p. 667) |
| Fitzgerald | 1,983,746 | (p. 671) |
| Gits | 2,052,762 | (p. 701) |
| Heinze | 2,071,403 | (p. 707) |
| Winter | 2,089,461 | (p. 715) |

These five patents, on which alone the District Court relied, are sufficient to illustrate the prior art. As we shall show, no one of them, or any or all of them taken together, discloses or suggests the invention defined in the claim of the Johnson patent in suit. That claim is directed

to the structure of the fluid seal shown in Figs. 1, 3, 5, and 6 of the drawings of the patent (p. 512).

The Johnson Patent in suit is for an oil or fluid seal which is employed to retain the oil or grease within the bearings or housing of rotating or reciprocating parts. A typical use is shown in the illustration of a gear-reducing unit of a machine at page 516, which is explained at page 67.

The patent explains (p. 1, col. 1, lines 3 to 52) the disadvantages of seals having either felt or leather sealing members and the difficulties theretofore experienced with seals having rubber or rubber-like composition sealing members. Johnson's invention was the first to overcome these difficulties and to produce a successful seal having such a rubber or rubber-like sealing member. He employs as a sealing member "an oil-resisting composition such as 'Duprene'. The composition can be varied to suit the material being sealed" (patent p. 1, col. 2, line 55).

The plaintiff itself, not being in the field of selling composition seals, had not commercialized the invention up to time of the trial (pp. 70, 80, 421). But there is no question in this case of the practical and successful advantage of the seals of the patent, for the Victor Company has made and sold large numbers of these seals (pp. 211, 243). They are shown as defendant's types H and A at the left of the Comparison Chart (p. 520) and in the chart (p. 521) in which the claim of the Johnson patent is applied to the Victor Seals. This shows that they embody each and every element of the Johnson claim and therefore infringe it. The District Court did not pass upon the question of infringement (p. 59).

In this art, in which over a thousand patents have been issued and only a few, about twenty, have proved successful in actual use (pp. 241, 281), the details or minutiae of the seal constructions are tremendous trifles which spell the difference between failure and success. The Johnson patent discloses and claims a novel organization composed of those details, which are combined to produce a new mode of operation and a novel, highly valuable commercial result.

None of the devices of the five prior patents relied on have this construction or mode of operation or have achieved any commercial success. The difference between Johnson's combination and the seals of the prior art is the difference between failure and success, which is cogent proof of novelty and patentability. *The Barbed Wire Patent,* 143 U.S. 275, 283.

As we point out later, the plaintiff has not been guilty of laches.

## THE JOHNSON PATENT IN SUIT p. 513

The Johnson patent, after referring to the disadvantages of fluid seals in which the sealing member is either felt or leather, refers to the efforts to use "composition fluid seals made wholly of rubber or composition of similar characteristics" (p. 1, col. 1, line 37) and refers to the failure of prior seals of this sort under high heat and cooling and to the problem of "cold flow" which, prior to Johnson's invention, prevented the success of such seals.

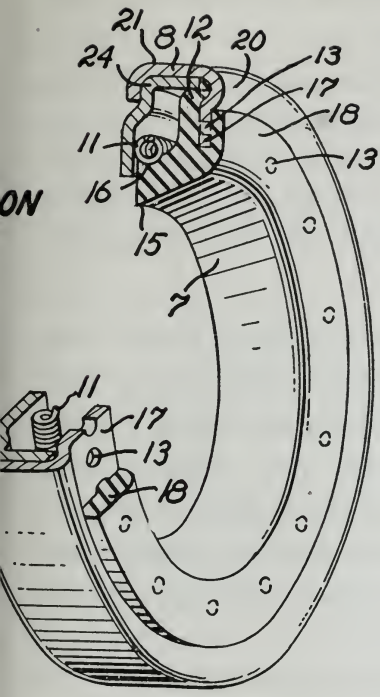
The device of Johnson is simple but remarkably and unexpectedly effective, differing as it does from the prior art in features which may seem details but which are of the greatest magnitude in practical accomplishment.

Referring to Fig. 1 of the Johnson patent there is a cup member 8 the periphery of which has a face 21 which makes a leak-tight press fit with the bore of the housing in which the seal is put.

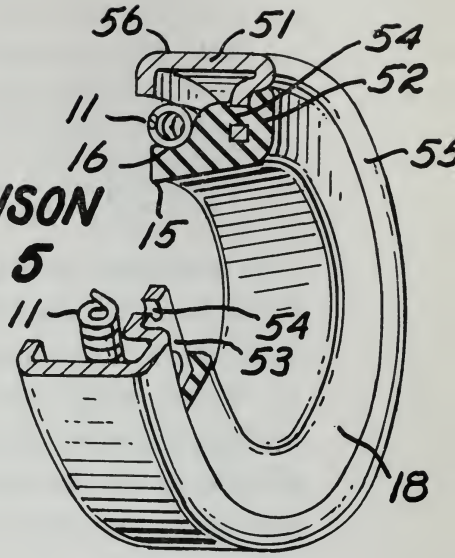
This cup member contains and supports the composition sealing member which makes the fluid-tight seal on the shaft. It has an inwardly projecting flange 20 which is bent inwardly in the direction of the axis of the shaft to form an axially inwardly offset flange 17 and is provided with holes 13 at intervals. This axially inwardly offset radial flange is the element to both sides of which the composition sealing member is bonded. This sealing member 7 has two outwardly extending annular parts, 12 and 18, between which the offset flange 17 of the cup projects. These annular parts, 12 and 18, are bonded to the flange by being molded thereto in the process of manufacture and by being tied together by the portions of the composition which extend through the holes 13 in the flange.

The patent states (p. 2, col. 1, line 4):

> ". . . It is preferable to sandblast radial wall 17 of cage 8 and apply a coat of cement which will insure a good bond between the composition and the metal. Next the composition is placed in the mold and the mold closed. Under pressure the composition material will flow into openings 13 of wall 17 and tie or bond the parts together. The mold is also shaped to form spring-receiving groove 16. As the composition cools it shrinks approximately one per cent, which further tends to make the composition material embrace the metal."




JOHNSON
FIG. 5




The composition sealing member 7 has a sealing lip 15 which bears against the rotating or reciprocating shaft and against which it is held by its own resiliency assisted by the spring 11 in the groove 16 close to the lip of the sealing member. An inner case member 24 closes the end of the cup and holds the spring. The outer end of the rim of the cup 21 is spun over this inner case to hold it in.

Fig. 5 of the Johnson patent shows a similar but slightly different form of seal. The outer cup 51 has the peripheral bearing surface 56 and is bent axially inward to form a flange 53 having holes 54. The sealing member has two outwardly extending annular parts, one on each side of the cup flange 53, and a sealing lip 15 with a groove 16 to hold the spring 11.

The patent, in describing the making of the oil seal, states (p. 2, col. 2, lines 23 to 28):

> "In this type the composition material will flow on both sides of radial portion 53 into holes 54. It will adhere to the sides of radial portion 53 and the composition which has flowed through holes 54 further strengthens the bond between the composition material and metal."

In both types of seals of Fig. 1 and Fig. 5 of the Johnson patent, the offsetting of the side of the cup, to form the inwardly extending flange to which the sealing member is bonded, brings the outer radial face of the sealing member within the radial plane of the bottom 20 (Fig. 1), 55 (Fig. 5) of the cup so as to protect the sealing member from wear due to possible contact with any adjacent moving parts.

The claim of the Johnson patent is as follows:

> "An oil seal of the type adapted for insertion to seal the annular space between the shaft and a bore in a housing, comprising a cup member having a peripheral portion and an axially inwardly offset radial flange, a molded resilient sealing member bonded to both sides of said radial flange at said offset so that its outer radial face lies within the radial plane of the cup bottom where it bends inward to form said offset, whereby said molded material is protected from wear by contact with adjacent moving parts."

The principal merit of the Johnson seal is that it solved the problem of how to construct a fluid seal having a composition sealing member by the combination of the several features specified in the claim, all of which are embodied in the infringing Victor seals.

One important feature is the provision of a composition sealing member having two outwardly extending annular parts which embrace and are molded to both sides of the inwardly extending offset flange of the outer cup and are tied together with composition material which unites each of these annular parts through the holes 13 in the flange of the cup. By this construction the sealing member is permanently fixed in position. It is not under pressure as it would be if it were clamped into the outer cup. Thus loosening and leaking due to cold flow are prevented and the axial position of the sealing lip 15 is controlled (pp. 329-332).

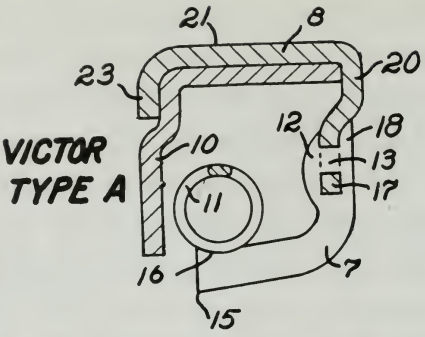
Another feature which contributes to the success of the seal is the protection of the annular part of the sealing member which is bonded to the outer side of the cup flange by bringing the outer radial face of that part of the sealing member within the radial plane of the cup bottom.

## VICTOR INFRINGING FLUID SEALS

The fluid seals made by the Victor Co. and sold by the defendant are of two types, A and H. Type A is illustrated in Defendant's Type "A" Device in Suit (p. 517), in Fig. 2 of the drawing Typical Infringing Devices (p. 519) and in the lower left hand drawing of the Comparison Chart (p. 520).

The infringing type H is shown in Defendant's Type "H" Device in Suit (p. 518), in Fig. 1 of the drawing Typical Infringing Devices (p. 519) and in the upper left hand drawing of the Comparison Chart (p. 520).

Type A is shown in the accompanying drawing. As it closely resembles Fig. 1 of the Johnson patent the principal reference numerals of the patent have been applied

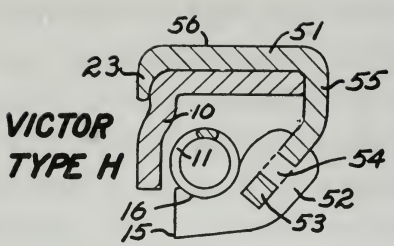



to the drawing. The outer cup 8 has a side wall 20 which is bent inward axially to form a radial flange 17. This flange has holes or perforations 13. The molded composition 7 has two outwardly extending parts 12 and 18 which embrace the radial flange 17 on both its sides. The composition, which has flowed through the holes 13 of the flange in the manufacture of the seal, ties together the two parts 12 and 18. The adhesion between the flange 17 and the parts 12 and 18 and the ties between those parts bond the molded material securely to the flange 17 of the cup 8. The outside of the molded material 18 is within the radial plane of the radial wall 20 of the cup 8.

The seal is provided with a garter spring 11 which sits in a groove 16 in the axially extending sealing member, which terminates in a sealing lip 15. An inner cup 10, which serves to hold the spring 11 in place, is held in by the spun-over lip 23 of the outer cup 8.

This construction is in all essential respects identical with Fig. 1 of the Johnson patent in suit; in fact, it is a Chinese copy. Victor's Type A seal embodies every element of the claim of the Johnson patent.

The Victor Type H is shown in the accompanying drawing. It is a close copy of Fig. 5 of the Johnson patent. It




consists of a cup 51 having a radial flange 55 with a bent-in portion 53 having holes 54. The portion 53 is embraced by the two parts of the sealing composition, which adheres to it on both sides and extends through the holes 54, thus bonding the sealing member to the inwardly bent flange of the cup member whereby a secure and permanent bond is effected. The outer radial face of the sealing member lies within the radial plane of the cup bottom to protect it against contact with any moving parts. The seal is provided with a garter spring 11 held in a groove 16 in the sealing member. A cup member 10 holds the spring from escaping. The inner edge 23 of the cup 51 is spun over the inner cup.

The infringing type H is a Chinese copy of Fig. 5 of the Johnson patent except that it includes an inner cup 10, which is a detail taken from Fig. 1 of the Johnson patent.

Defendant's type H oil seal is therefore an embodiment of all the elements of the claim of the Johnson patent and infringes it.

On page 521 of the record there is a chart in which each element of the claim of the Johnson patent is applied to the corresponding elements of the Victor Type H and Type A seals.

## JOHNSON'S DATE OF INVENTION

It is necessary to refer to Johnson's date of invention and reduction to practice in 1935, because defendant attempts to justify the infringement of the accused Victor oil seals Types A and H on the ground that these seals antedated Johnson's filing date of August 5, 1936 by a month or two.

The District Court Finding VIII (p. 58) erroneously states that "The accused structures were on sale beginning in the summer of 1935." All the testimony on the subject appears in the record at pages 188 to 194. The earliest date given by the Victor witness was a sale of the Type A seal on July 9, 1936 (p. 189) and of the Type H seal on November 10, 1936 (p. 190). This was over a year after Johnson had made the invention and reduced it to practice.

The proofs establish that Johnson seals of the claim of the patent were invented, reduced to practice and tested in 1935.

Johnson's undisputed proofs show that the first sketch of his seal was made May 23, 1935 (Exhibit 20, p. 532). Assembly and engineering prints were made by August 13, 1935 (Exhibit 23, pp. 533-536). Molds were made and the actual seal (Exhibit 21) was put through the usual tests from September 9, 1935 to October 7, 1935 in a regular testing head which simulated actual working conditions (pp. 267, 235, 415). At the conclusion of the tests the construction was decided to be very satisfactory (pp. 241, 402). The original tested sample (Exhibit 21) and another sample (Exhibit 22) made at the same time in 1935 were introduced in evidence.

These proofs show completion of the Johnson invention by October 7, 1935, which is almost a full year before the

Victor Type A and Type H oil seals were even thought of. Because of this, the defense fails under the rule of law that a defendant who seeks to justify its infringement by antedating the plaintiff's patent must carry its date back of the plaintiff's inventor's date of reduction to practice. Victor failed to do it in this case. On the other hand, plaintiff has fully sustained its burden of proof in this situation. *Willard v. Union Tool Co.*, 253 Fed. 48 (CCA 9).

Defendant noted that on the samples, as they are today, the outside face of the composition extended in places a few thousandths of an inch beyond the bottom of the metal case (p. 425). The original assembly drawing (Exhibit 23) is reproduced here and appears in the record at page 533. It showed the outside section of the composition as being within the radial plane of the cup bottom. Mr. Klein, who supervised the making and testing of these seals, testified that when made and tested in 1935 they were buffed by him to be within that radial plane (pp. 405, 419). He attributed the change in shape in the intervening eleven years to "cold flow" which is a characteristic of all composition materials kept under pressure. In exhibits 21 and 22 the coil springs had kept the sealing lips under pressure for eleven years (pp. 405, 425, 429). Mr. Stewart, an experienced worker with rubber and rubber-like materials, explained how the force of the spring around the sealing flange had caused the sealing element to change to its present shape (pp. 448-454).

## THE PRIOR ART

As the District Court based its conclusion that the Johnson patent in suit was invalid on each of five patents of the prior art, it is necessary here only to point out that none of these patents disclose or suggest the combination of the vital features of the Johnson claim. As exemplified by the Victor seals, which are Chinese copies of Figs. 1 and 5 of the Johnson patent, the Johnson invention has proved to be a practical and commercial success while all of the patents cited as anticipatory or as negativing invention, never have been of any practical use in the art (pp. 242, 243). The prior devices would all leak if constructed with rubber or rubber-like sealing members (pp. 244, 245, 329-332, 398).

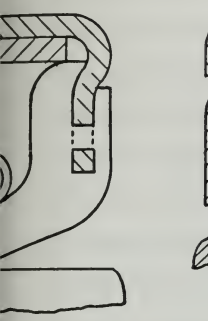
In the accompanying drawing the first line shows the essential features of the Johnson patent and of the infringing Victor Types A and H. In each one of these seals the outer cup has an axial inwardly offset radial flange having holes or perforations, which flange is embraced by the two outwardly extending parts of the composition sealing element which adhere one to each side of the flange and which are tied together by portions of the material which extend through the holes in the flange of the cup.

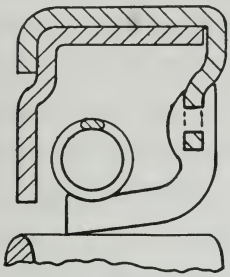
This feature alone distinguishes the seals of the Johnson patent and the alleged infringing Victor seals from the prior art. But this is not the only common feature which distinguishes them from the prior art as we shall point out.

In the second and third lines of the drawing are illustrations of each of the five prior patents on which the Dis-

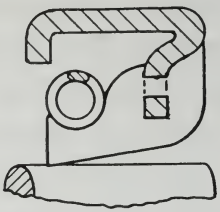
# THE DEVICES IN SUIT

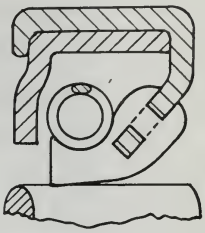
NSON'S = DEFENDANT'S
IG. 1 TYPE A





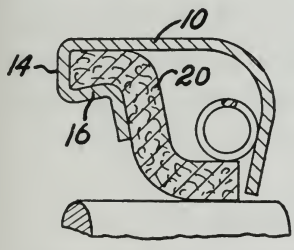
JOHNSON'S = DEFENDANT'S
FIG. 5 TYPE H



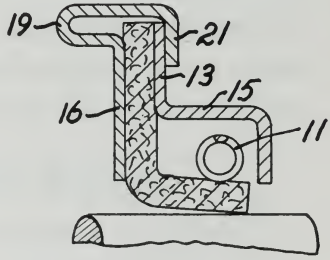


# THE PRIOR ART

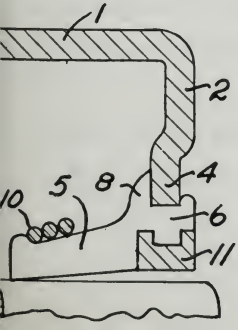
CHANDLER 1,905,800
FIG. 2 - p. 667



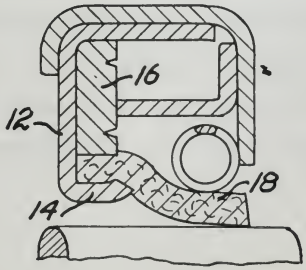

FITZGERALD 1,983,746
FIG. 1 - p. 671



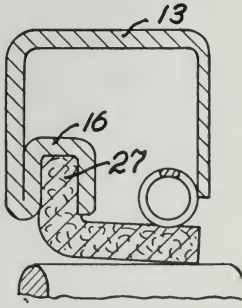

TS 2,052,762
FIG. 1 - p. 701




HEINZE 2,071,403
FIG. 1 - p. 707




WINTER 2,089,4
FIG. 3 - p. 715



trict Court relied for its findings of invalidity of the Johnson patent in suit.

In each and every device of the prior art the sealing member is held by clamps which hold it by squeezing it in an annular recess. Thus the sealing member is held under compressive pressure and, as the seal is alternately heated and cooled, the composition sealing material has what is known as "cold flow" (pp. 329-332). Thus the material under pressure flows from where it is compressed to where it is free from pressure. Thus the material distorts and loosens, the lip of the seal is not controlled, and the seal leaks. Thereby its usefulness as a seal is destroyed (pp. 332, 398).

In the Johnson seal and in the Victor infringing seals, the sealing member is held in the case without being under pressure and therefore is not subject to cold flow, which causes leaks. This is a mode of operation which was new with Johnson and is copied in the Victor seals.

The result is that for the first time in this art seals made with composition sealing members do not leak and therefore are commercially successful (pp. 211, 243).

### CHANDLER PATENT No. 1,905,800 (p. 667)

This patent granted in 1933 shows a seal composed of a cup 10 (Fig. 3) which is bent inwardly and axially and then inwardly again to form a recess into which the end of the sealing member, preferably of leather, extends and is clamped as by a vise. The sealing member extends inwardly to contact with the shaft and its end is pressed thereon by the usual coil spring.

Chandler shows means for clamping the end of the sealing member which would be absolutely ineffective if the

sealing member were composed of rubber or rubber-like composition materials, because under the stresses and strain of actual operation the sealing member would flow out of the vise and, becoming loose, would thereby render the seal inoperative. The Chandler patent thus provides nothing to prevent the effect of cold flow of such material, which would destroy the usefulness of the seal. The record does not show that any of the Chandler seals went into actual use.

The Chandler patent was cited against the application of the Johnson patent in suit and its irrelevancy established (pp. 613, 627).

**FITZGERALD PATENT No. 1,983,746 (p. 671)**

This patent shows a seal having a cup which has two inwardly extending flanges 16 and 21. It has an inner cup 15 which holds the spring 11 and has a radial flange 13 inside the radial flange 21 of the outer cup. The sealing member, which is merely defined as flexible packing, is clamped between the radial flanges 13 and 16.

The device is substantially similar to the Chandler patent except that the clamp in Fitzgerald is radial while the clamp in Chandler is axial. If the sealing member were composed of rubber or rubber-like composition, it would be subject to the same cold flow and separation from the clamping flanges as in Chandler and would quickly become loose and leak. There is no showing that any of the Fitzgerald oil seals went into actual use. It is no more pertinent than the Chandler patent, a file wrapper reference, as defendant's expert admitted (p. 223).

**GITS PATENT No. 2,052,762 (p. 701)**

This patent discloses an oil seal having an outer cup 1 with an inwardly radial flange 2 which is bent axially to form an inner flange 4 which bears against the outside of the sealing member 6 which is of rubber-like material in Figs. 1, 2, and 5 and of leather in Fig. 6. The sealing member has a positioning shoulder 8 which bears against the radial flange 4 of the outer cup. An inner ductile ring 11 is expanded against the sealing member at 6 so as to clamp it between the inner cylindrical face of the flange 4 and the outer cylindrical face of the ductile ring 11. Thus the sealing member is clamped, as in a vise, between the flange 4 and the ductile ring 11.

Testimony as to the devices of the Gits patent showed that, while the seals with leather sealing members were satisfactory, those made with synthetic rubber were failures because they were subject to cold flow, became loose and leaked (p. 329).

> "Q. You have never made, then, and sold any devices like your patent 2,052,762 with a synthetic sealing member in them except for those experimental samples you furnished to Spicer?
>
> A. No, we didn't." (Gits, p. 332).

For about two and one-half years Gits and the Spicer Mfg. Co. and the B. F. Goodrich Co. struggled to make successful seals with rubber or rubber-like sealing members, but they failed as Gits admitted.

Gits also admitted that the reason why such seals failed was because the sealing member was held in place merely by clamps as in a vise and that due to cold flow the synthetic sealing member loosened up and the seals would

leak (Gits, pp. 328-333). It never occurred to Gits to solve the problem in the way that Johnson did later.

Tarbox, the experimental engineer of the Spicer Co. where Gits worked for those two and a half years trying vainly to make his synthetic construction operative, testified (p. 398):

> Q. And the seals like Defendant's Exhibit D never got beyond the sample stage; you never ordered those in quantities?
>
> A. No. We never did. The final test on them showed they were not satisfactory.

Haushalter, development engineer in the New Products Department of the B. F. Goodrich Rubber Co. in Akron, Ohio, testified that the Goodrich Co. cooperated with the Spicer Co. in trying to make the Gits seals with the synthetic sealing member work, but that the seals leaked and the effort to make them was abandoned (pp. 367-384).

The Gits patent and the history of devices made under it are convincing proof that in a seal in which the sealing member is rubber or a rubber-like material, a clamp to hold such a member in place permits cold flow and results in leakage and consequent failure. The pressure of the clamp is fatal in such a seal although it is practical where the sealing member is leather.

Until Johnson made his invention of a seal in which the sealing member of composition material is fixed in place without pressure and therefore not subject to cold flow, no one knew how to make a seal with such a sealing member that would not cold flow and leak.

**HEINZE PATENT No. 2,071,403 (p. 707)**

This patent shows a seal in which the end of the sealing member of "leather or some similar flexible material" (p. 1, col. 2, line 25) is clamped between the inner end of the washer 16 and the turned-in edge 14 of the cup member 12. This clamp is practically the same as that in the Chandler patent and, if the sealing member were made out of composition material, the cold flow would cause the sealing member to escape from the clamp and the seal would leak and become worthless. There is no evidence that the Heinze device, although owned by the Victor Co., was ever put to practical use, but it made and sold the seals here in issue, which are the same as those shown and claimed in the Johnson patent.

**WINTER PATENT No. 2,089,461 (p. 714)**

This Winter patent discloses an oil seal in which the end of the sealing member "preferably of leather" (p. 1, col. 2, line 18) is clamped between inwardly extending flanges of the outer cup 13 in Fig. 5. The clamp in Fig. 4 is between axial flanges. In either case if the sealing material was a rubber or rubber-like composition, the pressure would cause it to cold flow and the seal would leak. There is no showing that the Winter seal ever went into actual use.

**THE MANY PATENTS NOT RELIED ON BY THE DISTRICT COURT**

In addition to the five patents above discussed, on which alone the District Court relied, a large number of other patents were offered in evidence and most of them discussed by the defendant at the trial.

These patents are:

| | |
|---|---|
| *Cantrell | Re 15,061 |
| Godley | 1,040,308 |
| Frumveller | 1,617,587 |
| Loock | 1,740,929 |
| *Penick | 1,817,095 |
| Lee | 1,862,153 |
| *Gits | 1,925,729 |
| Cunningham | 1,930,708 |
| Lord | 1,996,210 |
| Larsh | 2,000,341 |
| Miller | 2,004,669 |
| Anderson | 2,013,333 |
| *Walker | 2,028,634 |
| *Christensen | 2,052,603 |
| Padgett | 2,093,572 |
| Oldberg | 2,094,160 |
| Peterson | 2,114,908 |
| Heinze | 2,116,240 |

*Cited in the Patent Office file wrapper against the application for the Johnson patent.

As none of these patents were considered worthy of reference by the District Court or set up as pertinent in defendant's request for findings (p. 38), we do not feel called upon here to discuss any of them although, if necessary, it can be shown that none of them are any more relevant to the Johnson patent in suit than the five patents relied on by the District Court and discussed above.

## NO ANTICIPATION

Thus it appears that in each one of the prior art patented devices relied on by the District Court, there is merely a clamp for holding the sealing member in place which would be totally ineffective if the sealing member were composed of material such as rubber or the like.

In the devices of the Johnson patent and in the Victor infringing seals there is no clamping device, but in each case the sealing member has two outwardly extending parts which embrace and adhere to an axially inwardly offset flange of the outer cup and are bonded thereto not only by such adherence but by the integral material extending through holes in the flange and tying the two outwardly extending annular parts together. This feature of Johnson's combination was new in fluid seals of the sort here in issue.

The new mode of operation in a fluid seal is that the material of the sealing member is held without being under pressure. The Johnson sealing member is therefore not subject to compression, which would cause cold flow and the loosening of the sealing member in its case. Gits' failure at Spicer conclusively establishes what happens, as it did happen, when an attempt was made to clamp a rubber or rubber-like sealing member in place. It just would not stay fixed but would become loose in the case, would leak and would not hold the sealing lip under control.

The testimony as to the Gits struggle and failure demonstrates that there was a demand for a fluid seal having a rubber or rubber-like sealing member, which for certain uses would be greatly superior to leather or

felt, but that those skilled in the art were unable to solve the problem and satisfy the demand (pp. 368, 371, 398).

## NO TWO-YEAR PUBLIC USE

The second finding of the District Court, as to which error is alleged, is that there was public use or sale of Johnson's invention more than two years prior to his filing date, August 5, 1936 (p. 58).

There is no evidence of public use or sale of any devices except those which were tried by Gits beginning in 1933, which were demonstrated failures, and were abandoned.

As these Gits devices have already been discussed, at page 18, supra, there is no need to refer to them again in showing the erroneous nature of this finding.

## PATENTABLE INVENTION VS. MECHANICAL SKILL

The foregoing has established the following facts:

1. That the structure of the Johnson oil seal was new with Johnson.

2. That the defendant's seals A and H are infringements, in fact these Victor seals are substantial Chinese copies respectively of Figs. 1 and 5 of the Johnson patent.

3. The commercial success of these Victor seals establishes the practical value of Johnson's invention, copied by Victor, even although the plaintiff itself for its own good reasons had not marketed the Johnson seals up to the time of the trial.

In *Smokador Mfg. Co. v. Tubular Products Co.*, 31 F. (2d) 255 (CCA 2), Judge Hand said:

> "It is true that the complainant has not put an ash stand made in accordance with the patent on the

market, but this makes no difference, for the defendant has sold 1,000 of these ash stands. That is a substantial tribute by defendant to the value of the invention."

4. The Johnson seals and the Victor infringing seals have a mode of operation new with Johnson, which is that the flexible sealing member is not under any compression as held in the cup member and therefore is not subject to cold flow.

5. The result is that the Johnson seal was the first seal with a rubber or rubber-like sealing member, which maintains the sealing member in permanent fixed leak-tight engagement in the cup and fixes the sealing lip in correct position on the shaft and in relation to the cup.

6. Prior to Johnson there was a recognized demand for a fluid seal to achieve this result and those skilled in the art struggled for years to produce such a seal. Their attempts resulted only in failure because they did not have the conception of Johnson's construction and combination.

7. The Victor Co. recognized patentable invention in the Johnson seal, for it took out the Heinze and Bernstein patent No. 2,240,332 (p. 539) issued April 29, 1941 on an application filed January 28, 1939. This patent shows and claims the infringing Type H seal, Fig. 1, in which the only difference from the seal of Johnson's Fig. 5 (p. 512) is that in Heinze the inner edge of the flange of the cup to which the sealing member is bonded is turned in more axially than in Johnson. The basic structure, the mode of operation and the result are all the same as in Johnson.

The Heinze patent (p. 1, col. 2, lines 7-15) states:

"It will be noted that the side wall of the metal shell section 58 (55 in Johnson, Fig. 5) has an inwardly

projecting flange 60 (53 in Johnson) disposed at an acute angle with respect to the axis of the shell and provided with openings 57 (54 in Johnson) therein through which portions of the flexible material flow during the molding and vulcanizing operation, thereby forming a permanent attachment between the metal and synthetic rubber or other material."

It comes with very bad grace, to say the least, for the Victor Co. to assert patentable invention in a very small difference from the Johnson seal as an improvement thereon and yet to contend that the Johnson seal, which is the basis of the Heinze seal, lacks patentable quality.

In *David et al. v. Harris,* 206 Fed. 902, 903, 904 (CCA 2), the Court had a similar situation and said:

"The fact that the defendant is making his sweaters under a subsequent patent to Rautenberg makes the defense of lack of novelty and invention come with rather poor grace from one who is asserting that even after the complainants' patent there was still room for invention.

"The questions whether the patented sweater involves invention and whether the claims are infringed are not entirely free from doubt upon the proof, but we are inclined to answer them in favor of the complainants, first, because of the presumption arising from the grant of the patent; second, because the prior art shows many attempts to accomplish the same result without success; and third, because it seems quite inconsistent for one who is operating under the Rautenberg patent to deny patentability to the Weinschenk sweater."

These are the circumstances which the courts in patent cases have recognized as convincing evidence of patentability.

In *Eibel Process Company v. Minnesota, etc., Co.*, 261 U.S. 45, the Court, in sustaining the patent, said (p. 63):

> "In administering the patent law the court first looks into the art to find what the real merit of the alleged discovery or invention is and whether it has advanced the art substantially. If it has done so, then the court is liberal in its construction of the patent to secure to the inventor the reward he deserves."

In the *Sinclair & Carroll Co., Inc. v. Interchemical Corp.*, 325 U.S. 327, the Supreme Court said (pp. 330, 331):

> "The primary purpose of our patent system is not reward of the individual but the advancement of the arts and sciences. Its inducement is directed to disclosure of advances in knowledge which will be beneficial to society; it is not a certificate of merit, but an incentive to disclosure. See *Hartford Empire Co. v. United States*, 323 U.S. 386, 432-433. Consequently, it is not concerned with the quality of the inventor's mind, but with the quality of his product."

For the first time in the art Johnson's invention gave the public a fluid seal having a sealing member of rubber or rubber-like material which was permanently leakproof and commercially successful.

Now the defendant sees fit to decry this accomplishment and praises the prior art as being for substantially the same thing. On the contrary, the difference is the difference between failure and success.

As the Supreme Court said in *The Barbed Wire Patent*, 143 U.S. 275, 283, in sustaining the patent—

> "In the law of patents it is the last step that wins."

The Supreme Court in *Diamond Rubber Co. v. Consolidated Tire Co.,* 220 U.S. 428, in holding the Grant patent valid, stated (p. 435):

> "Knowledge after the event is always easy, and problems once solved present no difficulties, indeed, may be represented as never having had any, and expert witnesses may be brought forward to show that the new thing which seemed to have eluded the search of the world was always ready at hand and easy to be seen by a merely skillful attention. But the law has other tests of invention than subtle conjectures of what might have been seen and yet was not. It regards a change as evidence of novelty, the acceptance and utility of change as a further evidence, even as demonstration."

The Court further said (p. 441):

> "The prior art was open to the Rubber Company. That 'art was crowded', it says, 'with numerous prototypes and predecessors' of the Grant tire, and they, it is insisted, possessed all of the qualities which the dreams of experts attributed to the Grant tire. And yet the Rubber Company uses the Grant tire. It gives the tribute of its praise to the prior art; it gives the Grant tire the tribute of its imitation as others have done."

See also:

*Bankers' Utilities Co., Inc. v. Pacific National Bank,* 18 F.(2) 16, 18 (CCA 9);

*Page et al. v. Myers,* 155 F.(2) 57, 59 (CCA 9);

*Goodyear Co. v. Ray-O-Vac,* 321 U.S. 275.

Thus infringement, utility and patentable novelty have been established.

Non-user by the plaintiff of Johnson's invention is no ground for withholding from the plaintiff full relief under its patent. *Paper Bag Patent Case,* 210 U.S. 405, 422-430.

## NO LACHES

The plaintiff has not been guilty of laches in attempting to establish its rights in the Johnson patent in suit and in bringing this suit against the defendant. Finding VIII (p. 58).

At page 12, supra, we showed the mistake of the District Court in Finding VIII in respect to the date that Victor began to sell the accused structure, which was in 1936. Purchases were not made from the defendant Chanslor & Lyon until 1939, after the patent in suit issued (p. 72). Additional errors in the finding will be shown here.

When the Johnson patent was issued February 7, 1939, the Victor Co. was making and selling its Types A and H seals and the plaintiff immediately notified Victor that these seals were an infringement of its patent (p. 72).

The plaintiff and the Victor Co. entered into negotiations involving several talks between the officers of the two companies in an effort to settle the question of infringement. One proposal was for the Victor Co. to take a license under the Johnson patent. Another was for the Victor Co. to buy the patent and issue a license to the plaintiff (p. 73). But the Victor Co. offered only $2,000 in settlement and the plaintiff regarded this as too small so that the negotiations were suspended in 1939 (p. 88). The plaintiff, however, did not give up hope of making a satisfactory settlement until 1940 (p. 74).

By that time England and Germany were at war and the plaintiff was notified by the U.S. Government that it would need millions of seals for war equipment and new factories were built. The plaintiff had its hands full in satisfying the demands of the Government for its oil seals (p. 74). This was no time to be bringing suit on the Johnson patent against the Victor oil seals. The plaintiff had notified the Victor Co. of infringement, and the Victor Co. had persisted in its infringement and had not changed its position in any way in defiance of the patent.

After the United States entered the war in December, 1941, it would have been improper for the plaintiff to have brought suit. Thus the matter rested until 1944 when plaintiff had indications from the Government that the war was about to end and then the suit was promptly filed (p. 74). Even then the trial of the case was postponed with the consent of the Court until the war orders for plaintiff's seals substantially diminished (p. 75).

> "It has been frequently held that the unusual years during and immediately after the great war constitute a period in which all reasonable postponement and suspension of litigation was *a public duty.*"
>
> *Alliance v. DeVilbiss,* 41 F.(2) 668, 669 (1930).

There was therefore no laches by the plaintiff with respect to the Victor Co.

The defendant, Chanslor & Lyon Co., is in no better position to assert laches than the Victor Co., which was responsible for the defendant's infringing seals. Having notified the manufacturer of infringement in 1939, it would have been improper for plaintiff to have notified Victor's customers until it was possible to file suit.

The Chanslor & Lyon Co., of course, expected the Victor Co. to take care of it in the event of a patent suit. Mr. Lyon was on the stand, under a subpoena from plaintiff, to establish the fact that the Victor Co. was conducting and controlling this suit (pp. 115 and 125), but Victor's counsel made no showing that Chanslor & Lyon had changed its position at any time so as to give any basis for an estoppel in equity. The fact is that the defendant never changed its position with respect to the infringement because for a time no suit was brought against it.

Another controlling fact is that the suit was brought 5 years and 5 months after the patent issued, which is less than the statutory period of 6 years allowed for the bringing of suits for alleged infringement.* Also, it is less than 5 years and 9 months delay in *Craftint v. Baker,* 94 F.(2) 369, 374 (CCA 9), which this Court held was not a sufficient period to establish laches.

The lower court also overlooked the distinction between the case where there was a 9 year delay and the patent had expired as it had in *Gillons v. Shell,* 86 F.(2) 600 (CCA 9), and where the patent is still alive as it is here, so that plaintiff is entitled to an injunction even if the delay might preclude recovery of past profits. This Court's opinion at page 608 makes this point clear where it refers to the rule in the Supreme Court. At most, the delay might militate against a recovery for damages and profits against the Chanslor & Lyon Co. but it would be

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*In 35 U.S.C.A. 70, it is provided: "But in any suit or action brought for the infringement of any patent there shall be no recovery of profits or damages for any infringement committed more than six years before the filing of the bill of complaint or the issuing of the writ in such suit or action."

no bar to an injunction against it and Finding VIII is clearly erroneous.

## CONCLUSION

The structures of the defendant's devices are identical with those of the Johnson patent. Infringement therefore follows, and for the same reason defendant cannot deny utility. The continuance of Victor's copying of the Johnson construction after notice of infringement shows that, in spite of all the prior art, Victor considered that those Johnson constructions were the only ones that would answer the commercial requirements.

Moreover, Victor cannot well deny patentable novelty, for it sought and obtained a patent on its type H seal claiming it to be a patentable improvement on the basic Johnson patent.

When, as here, only failures of the prior art are offered to show lack of invention, we may well ask, Why were they failures? And why does not the defendant adopt them? The answer is that the prior art devices offered no solution to the problem which Johnson solved. On the contrary, Gits and the engineers of Spicer and of Goodrich worked on it fruitlessly for several years. The problem thus proved to be beyond solution by the man skilled in the art. It took a new concept by Johnson to achieve the solution, resulting in the only successful structure for oil seals having a rubber or rubber-like sealing member held leakproof in a case.

The Johnson patent and its claim are for a novel combination which secures a new mode of operation in that the sealing member is bonded to the flange of the case

without any compression whatever, and it achieves a new result in that it is permanent and leak-proof.

Under all the criteria of patentable invention, the Johnson seal is novel and patentable.

The plaintiff has not been guilty of laches in bringing this suit.

For these reasons, it is submitted that the final judgment of the District Court should be reversed and the District Court should be directed to enter judgment sustaining the Johnson patent in suit as to its single claim and ordering an injunction against the defendant, an accounting for damages and profits and costs to the plaintiff-appellant.

For these reasons the plaintiff should prevail.

Respectfully submitted,

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